Talking Points for the DDI

The Iran-Iraq War and Prospects for Iraq's Stability 22 July 1986

Iran has begun preparations for a major offensive and Iraq is bolstering itself to counter it. In the meantime, both sides are engaging in intermittent fighting and troop redeployments. Casualties, military reverses, and economic problems are eroding Iraqi morale, increasing the risk of a significant Iranian breakthrough. Iraqi President Saddam Husayn so far is dealing with challenges to his leadership, but the chances of his ouster will increase unless the military's combat performance improves.

The last major fighting accompanied Iran's recapture of Mehran in early July. Since then, ground, air, and naval activity has been sporadic and ineffective.

- -- Iran is preparing for another round of attacks by reinforcing the front, improving supply lines along the border, and trying to weaken Iraqi morale with propaganda about its large mobilization.
- -- Both navies and the Iraqi air force have been active in the northern Persian Gulf, but an Iranian naval attack a week ago on Iraqi oil installations failed and Iraqi attacks on shipping have had little effect.

Iran appears to be preparing for a decisive victory in the next six to eight months before its own severe economic problems hamper its warmaking capabilities.

- -- The Iranians believe Iraq's military, political, and economic situation is deteriorating significantly and now is the time to act.
- -- The regime has publicly declared its intention to win the war this year.

Iran is mobilizing large numbers of men and will continue to do so during August, trying to add one million men to the military.

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-- Despite significant equipment shortages and logistics problems, Iran probably can launch a series of small- or medium-size multi-divisional attacks or one large assault involving some 150,000 men.

Sagging Iraqi morale is increasing the risk that an Iranian offensive will achieve a significant breakthrough.

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 High Iraqi casualtiesat least 30,000 this year equaling all of 1985are lowering popular spirits. The government is having difficulty finding recruits for the armed forces and militia, it has temporarily closed the universities and 	
inducted male students. In constrast to the situation a year ago, civilians and military personnel are more disillusioned with Iraq's leadership and their dissatisfaction reportedly is more openly expressed.	25X′
Economic problems are contributing to poor morale.	
Iraq until this year had insulated the population from severe economic hardships and the government's guns-and-butter approach has shored up political support.	
The sharp decline in oil revenues, however, has severely weakened Iraq's financial position, forcing Baghdad to implement tough austerity measures; Iraq will need to cut civilian imports by at least one-third.	
As a result, the Iraqi people will suffer a significant decline in living standards over the next 12 months.	
So far, dissidence has not been translated into effective action against the Iraqi regime. Outside of the mountainous Kurdish region, Saddam's security services—among the most effective in the Arab world—have largely eliminated potential dissidents.	
Dawathe Tehran-based Iraqi fundamentalist organizationand other Shia dissident groups are divided, weak, and largely in exile.	~•
Approximately 8,000 Kurdish rebels control much of the border areas near Turkey and northern Iran, but remain a manageable threat.	e e
Iraq's military and civilian leaders are likely to press for more reforms in Saddam's management of the war.	25X1
Nonetheless, continued military setbacks and Saddam's inability to end the war increase the likelihood of his removal.	

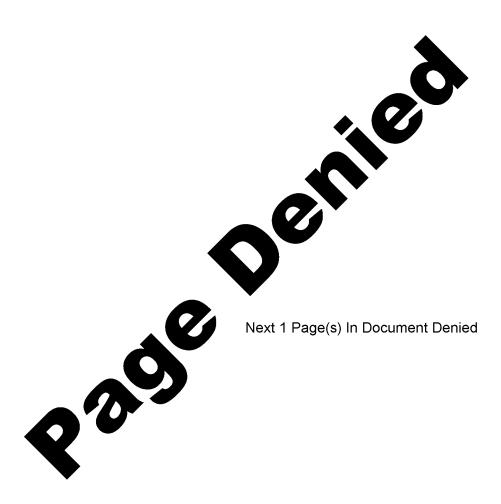
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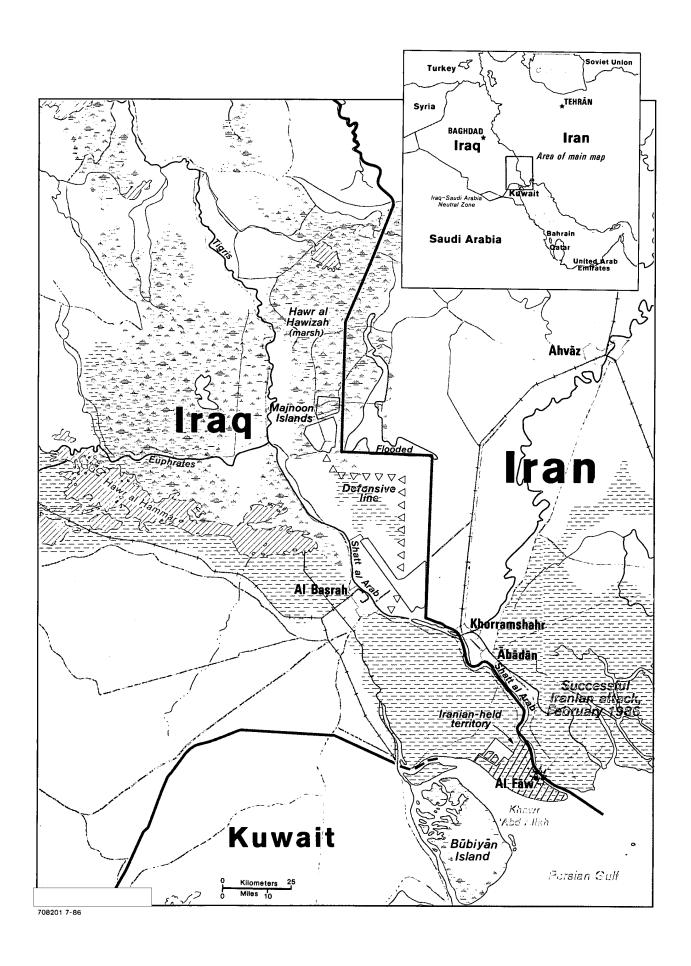
- -- The greatest threat is from assassination by disgruntled Iraqis. Saddam reportedly has escaped several attempts in the last 12 months.
- -- A coup attempt is far less likely because of Saddam's security apparatus and the appointment of loyalists to key positions in the military. Moreover, military officers--almost all of whom are at least nominal Ba'thists--probably remain reluctant to risk switching leaders in wartime. This is particularly true because Iran has repeatedly demanded not just the removal of Saddam but the elimination of Ba'thist rule.
- -- If Iraq experiences more military reverses, elements within Iraq's military may eventually conclude that Saddam's ouster is necessary to avoid losing the war.

Saddam's removal would trigger maneuvering for power by various military and civilian Ba'thists, embolden opposition to the Ba'thists, and probably reduce the effectiveness of the security services.

-- The new regime might not manage the war substantially better however, because factionalism within the military and the Party probably would emerge following Saddam's demise.

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